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# deliver<sup>®</sup>

a magazine for marketers

## Average American Consumer Exhibit 1950 - 2010



The Average American Consumer flourished during a period marked by unprecedented growth and prosperity. In contrast to today's world, these Consumers lived for the most part as married couples with children in largely homogenous communities. Social trends, such as globalization, immigration and technological advancements, hastened the demise of these Consumers in the early part of the 21st Century.





Counting Change

Marketers have never really had it easy, but, decades ago, it certainly seemed that tasks such as finding your ideal consumer were simpler. After all, we thought then, it was just a matter of appealing to “the average American.”

Well, as we know, those days are gone. And nothing reminds us of this more than the changing face of the “typical” U.S. consumer. Social change, globalization, the rise of technology — all have dramatically reshaped American demographics over the years. There really is no “average American” anymore. And marketers are as pressed as ever to respond appropriately.

This issue takes a look at some of the shifts and how marketing has reacted.

Several feature stories in this issue explore how consumers are being transformed and how they are, as a result, transforming direct marketing. We look at how and why old categories often no longer apply (“The End of the Average American,” pg. 17) and what marketers are doing to understand and appeal to the new demographics (“The Model Consumers,” pg. 14).

Beyond this, we also head out to the Southwest to look at how the Navajo Nation is using direct marketing to boost tourism and increase economic activity on Navajo lands (“Marketing the Navajo,” pg. 24).

And we go inside the marketing operations at outdoor apparel maker Moosejaw to see how the company’s “marketing madness” is winning over consumers (pg. 28).

Finally, recognizing the changes impacting the marketing world, the U.S. Postal Service® is creating new opportunities for marketers to connect with customers. We’re now offering a new product, Every Door Direct Mail, that allows marketers and especially local businesses to reach customers without having to create and maintain a mailing list. See more at USPS.com/simplifiedaddressing.

Thomas J. Foti, Editor



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ROY RITCHIE

CONTENTS

VOLUME 7 / ISSUE 1 • FEBRUARY 2011

FEATURES



S M L

14

The Model Consumers

Marketers are improving their prospecting by seeking better data on the target audience. See how.

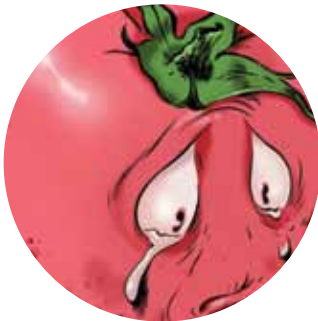


S

24

Marketing the Navajo

It's one thing to market a brand's product or service. It's another thing when you have to market a nation.



S M L

28

For Crying Out Loud

How an outdoor outfitter keeps customers loyal by using a little offbeat humor in its marketing.

USE THIS KEY

Our handy little guide to help you quickly find the stories in this issue that are relevant to your business.

**S SMALL BUSINESS**  
Less than 100 employees. Who needs nametags? You know everyone by name already.

**M MEDIUM BUSINESS**  
Between 101 and 499 employees. You know your department colleagues, but that's about it.

**L LARGE BUSINESS**  
More than 500 employees. Who's that guy you always bump into in the elevator? Jim? John? Fred? Freddy?

INSIDE EVERY ISSUE

- Postings** Quick Response (QR) codes conquer the U.S. market, plus more ..... 4
- Leader Column** Don't forget about the 'I' in ROI..... 8
- Demo Graphics** Why pet owners are the pick of the litter for marketers ..... 9
- P.O.V.** Using direct mail to deliver incentives of all kinds..... 10
- Outside the Box** Sustainability is good for the Earth and your bottom line ..... 11
- Pushing the Envelope** A cardboard phonograph has recipients spinning..... 12
- Last Word** Play the marketing game — you might just be a winner..... 34



COVER PRINTED ON RECYCLED PAPER WITH 10% POSTCONSUMER WASTE. BODY PRINTED ON RECYCLED PAPER WITH 20% POSTCONSUMER WASTE.

COVER PHOTOGRAPHY: RYAN ROBINSON



# DELIVERABLES

A BRIEF LOOK AT SOME BIG ISSUES  
IN DIRECT MAIL

POSTINGS



BY THE NUMBERS

CAMPAIGN PLANNING

TECHNOLOGY

## Codename: QR

Increase in scans proves popularity

For years quick response (QR) codes have been the rage in Japan. Now the mobile barcodes — which, when scanned by smartphone software, link the phones to special URLs — are conquering the United States. New York-based ScanLife reported a 700-percent increase in QR code scans in 2010, while one trade blog has forecast a 2011 mobile barcode “explosion.”

But how can direct marketers best use QR codes? Last August, Baltimore-based Echo Communicate conceived an exemplary QR code campaign for Maryland's Capitol College. Leveraging direct mail, online and video, Capitol College shipped 20,000 prospective students postcards with barcodes that linked to personalized promotional video tours of the school's campus. The video included virtual tours of classrooms and dormitory rooms, and even featured a virtual admissions counselor.

Robert Blakely, the Echo Communicate vice president of business development, says success with QR codes is dependent upon a seamless interplay between the code and its online destination. “People are going to scan this code with a mobile device,” Blakely said. “If your QR code takes them to a non-mobile-friendly site

**“If your QR code takes them to a non-mobile-friendly site that doesn't interact with the customer or is hard to read on a mobile device, then it won't serve any purpose.”**

— Robert Blakely, Echo Communications  
VP of business development

that doesn't interact with the customer or is hard to read on a mobile device, then it won't serve any purpose.”

ScanLife conducted a 2010 report covering 2D barcodes (the codes found in magazines, outdoor ads, etc.) and UPC barcodes (codes featured on products that link to reviews and price info). The survey revealed that the biggest QR code users in the U.S. are the health-and-beauty, grocery and publishing industries. Half of all ScanLife respondents were 35 to 54 years old. Nearly half reported income levels of more than \$100,000 annually.



TORU YAMANAKA/AFP/GETTY IMAGES

**YOU  
SHOULD  
KNOW**

MARKET GROWTH IS EXPECTED TO BE SPURRED BY LOCALLY TARGETED ADVERTISEMENTS AND MICRO-TARGETED ADVERTISEMENTS, A MOVE AWAY FROM MASS ADVERTISING TO DIRECT ADVERTISING.

## \$25 billion

The amount that global direct mail advertising is expected to grow to by 2015, according to the online business information site CompaniesandMarkets.com. Market growth is expected to be spurred by locally targeted and micro targeted advertisements, a move away from mass advertising to direct advertising.

## \$47.61

The cost, per lead or order, of catalogs, according to the Direct Marketing Association's 2010 Response Rate Trend Report, the lowest cost reported.

## \$309.25

The cost per order or lead of outbound telemarketing to prospects, the highest cost reported.

## 3.42 percent

The response rate for letter-sized direct mail sent to house lists in 2010, according to the Direct Marketing Association's Response Rate Trend Report.

## Weigh Your Options

Tidewater Direct launches interactive calculator

Tidewater Direct LLC (tidewaterdirect.com) recently launched a free interactive Paper Calculator and Paper Comparison Chart that allows users to determine total job weight and more. Says Tidewater's Geoff Eisenberg: “It lends itself well to direct mail commercial printing. If you're ordering a million 8 1/2-by-11 sheets on 50-lb. offset, you put that into one of our calculators and it tells you the shipping weight, so you can come up with shipping rates and find out the total price.”

DESIGN AND CREATIVITY

## REAL TALK

**Mail is an** essential tool for successful real estate salespeople seeking to connect with buyers and sellers. Unfortunately, coordinating effective DM campaigns can be tough for smaller independent brokerages competing with the big dogs. So CoreFact Corporation (corefact.com) recently launched Store in a Box,™ an interactive online marketing design center that allows any real estate agent or brokerage to create their own direct mail “farming” campaigns.

According to CoreFact VP of Marketing Steve Elich, Store in a Box uses variable data printing technology to help agents design branded, personalized mailers, including “Just Listed” and “Just Sold” postcards, newsletters and property flyers. All printing, postage and delivery to the United States Postal Service® are provided as part of CoreFact's guaranteed fulfillment policy.

“When you get Store in a Box, everything is branded for your brand,” Elich says. “You'll have your color scheme and your logo. You can upload and store portraits, property photos and mailing lists, so anytime that you go into the store your contact information is already there, speeding up the process.”

Store in a Box even offers dozens of seasonal greetings cards to help agents build relationships with buyers and sellers. “It's all about creating that engagement with the consumer,” Elich says.





## DELIVERABLES > POSTINGS

The use of QR codes not only allows the advertiser to offer the tactile engagement of print and benefits of digital all at the same time, but it is not too late to gain marketing advantage vs. competitors. QR codes could make the content digitally sharable, create real time readership metrics, and turn advertising within the print edition into something digital without having to buy an e-reader. — *Joel Robinson, President/Founder, Robinson Partners Inc., a marketing and research consultancy*



### Lift Off

Service tests appeal of campaigns before rollout

#### PROSPECTING

Research and development can be costly, with no guarantee that the results will resonate with consumers. So Chicago-based UMarketing has introduced a service that allows businesses to test the appeal of products, services and offers before a rollout.

Employing its own national online research panel, UMarketing's LaunchPad<sup>SM</sup> can take a group of concepts, features and benefits and test them one at a time. For direct marketers, LaunchPad can help determine messaging, what offers and priorities should be promoted to address the motivations of the audience and more.

"The refinement process takes place

within about six weeks," says UMarketing COO Ken Lomasney. "Afterward, you're very confident in the potential success of a new product or offer optimization."

LaunchPad costs as little as \$30,000. "We can come in at less than half to maybe

**Employing its own national online research panel, UMarketing's LaunchPad<sup>SM</sup> can take a group of concepts, features and benefits and test them one at a time.**

a third of the cost of traditional methods," says Meg Goodman, UMarketing senior vice president and director of client services. "And the testing period is compact compared to the time of traditional research."

#### DISCOUNT OFFERINGS

Combining direct mail and food coupons, Johnny Rockets restaurants has gone straight for the gut to lure lunch crowds to its restaurants. Last spring, the California-based franchise tested a DM campaign in 11 U.S. markets called "Please Post Immediately<sup>TM</sup>" — one of many trademarked programs of Data-base Marketing Group, Inc. The



### WELL DONE

campaign sent customized mailers to businesses near Johnny Rockets restaurants. The mailers featured various product shots and discount coupons to be posted on company bulletin boards. The initiative resulted in an average of 24.5-percent business customer redemption rate for Johnny Rockets during a two-month test.

SCIENCE PHOTO LIBRARY, JUPITER IMAGES



#### NONPROFIT MARKETING

### Slick Response

Activists' campaign addresses crisis of Gulf Coast oil spill

Time is always of the essence for marketers, but especially for nonprofit organizations responding to a crisis. The National Wildlife Federation demonstrated its agility during the Gulf Coast oil spill in April, launching a direct mail fundraising initiative even as the environmental disaster was still unfolding.

Within four days of the April 20 spill, the Federation staff had assembled to discuss a direct mail campaign. By May 8, the organization had mailed 846,000 "Emergency Alert" mailers to its members. On the face of the windowed #10 envelopes were the words "Oil Spill Crisis Update: How You Can Help." Inside, members found a one-page letter describing the enormous scale of the crisis, including specific health threats to wildlife in the area.

"One of the reasons NWF benefited in this campaign is that we got down there immediately," says Dave Jorgensen, senior director of membership for the NWF. "We commissioned boats to get reporters out on the waters, and started educating people with daily website updates and through media coverage. When donors received the direct mail campaign, we had documented stories and evidence why their support was so critically needed."

Along with highlighting the group's quick-response capabilities, the campaign helped the NWF generate a 2.5-percent response rate to donor mailings.

BRANDON LAUFENBERG, ISTOCK VECTORS, GETTY IMAGES

## Talking Heads

Business pros share *SMART MARKETING SOLUTIONS*



### Mary Eaton

**Harrison Medical Center, BREMERTON, WASH.**

To encourage its physicians to use the hospital's electronic record-keeping system, Harrison's creative agency, Orbit Direct Creative Marketing (orbitdcm.com), turned to a sophisticated integrated campaign that included direct mail, e-mail and web-based information. Eaton, a marketer for the medical center, attributes the campaign's 7-percent response rate to personalized creative that included a branded jump drive containing information on the government-mandated system.



### Deena Pierott

**Mosaic Blueprint, VANCOUVER, WASH.**

Pierott, CEO of Mosaic Blueprint (mosaicblueprint.com) saw little success with a one-dimensional online marketing strategy for her diversity consulting firm's panel series. Then she added postcards emphasizing panelists' experience with workplace diversity issues. The sessions enjoyed a noticeably higher registration rate. "The postcards gave recipients an opportunity for conversations with colleagues, who then saw the value of registering," says Pierott.



### Frank Rabbito

**PrivacyPhone, NAPLES, FLA.**

PrivacyPhone markets a phone system that lets bail bondsmen and private detectives place anonymous phone calls to targets. CEO Rabbito shifted his conventional B-to-B direct mail marketing creative to a campaign built around a fictitious villain named "Dominic." Postcards told recipients that they had no chance of finding "Dominic" without PrivacyPhone. Rabbito says the campaign did so well that he's still getting leads from the multi-card mailing months later.



### Darlene Tenes

**CasaQ, SAN JOSE, CALIF.**

CasaQ owner Darlene Tenes decided last year that rather than spending money to exhibit her company's line of Hispanic-themed holiday ornaments at expensive trade shows, she would apply her budget to direct mail instead. She produced a high-quality color catalog and had it sent to a hand-selected list of 1,400 specialty retailers. Tenes was thrilled with the results: She spent half as much money to net 30 new accounts within three days. "A well-designed piece can really stand out," she says.



Are you a small business with a smart marketing solution to share? Tell us about it at [delivermagazine.com/talkingheads/](http://delivermagazine.com/talkingheads/). We just might feature it in a future issue.



# Optimizing Your Marketing

When focusing on steps to improve your ROI, don't forget the 'I.'

**I**f there's one thing that marketers have learned throughout this economic downturn, it's how to squeeze the value out of every dime.

With the focus on ROI intensifying — even as budgets were being slashed — doing more with less became the rallying cry. In fact, you can still see its remnants in the headlines all across the marketing trades: Optimizing Your Spend, Get More out of Your Ad Placements, Optimize Your Analytics. The list goes on and on.

Of course there's nothing wrong with "optimizing" processes or actions when your goal is to obtain the most you can without decreasing their effectiveness. But to many, the hunt for optimization has led to increased focus on the R in ROI and little else.

No marketer who wants to stay employed would dare ignore ROI, but it's Return on Investment, which ought to remind us that marketing is an investment in a company, meant to yield long-term results as well as short-term impact.

Paying too much attention to the R, at the detriment of the I, has led many to believe that optimization is really just chasing the lowest-priced option. Jumping to the low-cost provider can be effective, and there are certainly cases where it is effective, but it hardly ever optimizes your spend.

Nowhere is the old adage "You get what you pay for" more true than today's marketplace. There's no shortage of vendors offering something for next to nothing, but — to recall another gem of wisdom — if it seems too good to be true, it probably is.

Sadly, many marketers who jumped ship from traditional advertising means to cut costs are deluding themselves into



believing they're doing just fine with significantly less spend. And maybe they are — right now. But when the tide turns and the economy comes back (hopeful signs abound) they risk being left behind.

Mail may not be the lowest-cost option in the market, but its ability to personalize a message, to target specific segments of customers, to engage your customers and to deliver \$12.53 for every dollar spent on it ensure that it is easy to optimize in any marketing program.

Trading effectiveness for efficiency has its merits, but those benefits won't last very long. Once the low-cost options lose their ability to perform, those marketers will find they're in a tough position: down in marketshare and further behind the competition, which has leapfrogged them during the rebound.

**“**The humanization of pets (being part of the family) is popular, especially among senior citizens and Baby Boomers. Those segments of the pet-owning demographic are more likely to spend on items that are “nice to have” vs. “need to have.”

— Kristen Levine, president, Fetching Communications

**\$10,377**

Average lifetime spend on dog and cat food, per pet owner, in the United States (Canada is second at \$8,038).<sup>1</sup>



Sixty-two percent of American households own a pet.<sup>2</sup>



**IN THE LAST 12 MONTHS:<sup>3</sup>**

**20% ....of households owning pets placed a mail or phone order from a catalog**

**23% ....placed an Internet order from a catalog**

**3% .....placed a mail or phone order from a direct mail piece**

**3.5% ...placed an Internet order from a direct mail piece**

**65 vs. 54**

Percent of American pet-owner households that own a dog vs. the percent that own a cat.<sup>2</sup>



Twenty-five percent of pet owners say their pet is a better listener than their spouse.<sup>4</sup>

**22.5%**

Portion of Baby Boomers who own pets.<sup>3</sup>

## PET OWNERS: PICK OF THE LITTER

American pet lovers are, in many ways, a dream market segment. With spending on pets continually rising, many marketers covet pet owners. Consider: The estimated spend by U.S. pet owners was expected to reach \$47.7 billion in 2010 — up from \$45.5 billion in 2009, according to the American Pet Products Manufacturers Association. Leslie May, founder of Pawsible Marketing, says the industry thrives even in a tough economy. “It equates to the idea that my pet is giving me everything, and I want to pay them back and keep them with me,” says May. “People think of their pets as family members; they don’t want to shirk on necessities.” — Vicki Powers



Families with 1-3 children are more likely to own pets (40 percent) than families with 5 or more children (1 percent).<sup>3</sup>

**HOUSEHOLD INCOME FOR TOP THREE PET OWNER CATEGORIES:<sup>3</sup>**

**\$100K+ .....30%**

**\$50K-\$74K.....20%**

**<\$30K .....19%**

1 Euromonitor International: “Emerging Spending Habits of Pet Owners in 2010 and Beyond” 2 2009–2010 National Pet Owners Survey, American Pet Products Association 3 Experian Simmons 2010 4 AP-Petside.com Poll, April 2010



## How do incentives impact your direct mail?



L

**MARILYN LAWRENCE**

General Manager  
KCSM-FM

We conducted an incentive-based direct mail campaign that offered a unique “Legends of Jazz” T-shirt to those giving \$80 or more, twice our usual ask. This wasn’t just a gift, but a personalized “thank you” that listed donors’ names sprinkled among the names of jazz greats, making them feel like part of the jazz landscape. **As a result, our response rate (nearly 6.5 percent) and donations have risen exponentially.** We’ve since repeated the T-shirt campaign twice. It’s safe to say that with the creative minds of our marketing firm, Goodman Marketing Partners, behind us, we’ll continue to use unique ways to drive donations.



M

**JASON ABRAHAMS**

Marketing Director,  
National Gift Card

My company, National Gift Card, undertook a direct mail campaign as part of a pre-event promotion for a trade show earlier this year. Nearly 1,200 deactivated gift cards were mailed to preregistered attendees as part of the campaign titled “Get Activated!” Attendees were encouraged to bring the gift card to our trade show booth for activation and discussion. **Approximately 15 percent, well above typical response rate averages, answered the “Get Activated!” call to action, generating additional new business opportunities.** The direct mail campaign, which combined a gift card incentive with a specific call to action, allowed National Gift Card to fully track and measure the program’s ROI.



S

**JOY GENDUSA**

Founder and CEO,  
PostcardMania

As a direct mail marketing company, PostcardMania mails more than 140,000 postcards a week on our own behalf, and we always include an incentive. **We found the higher the incentive value, the more response we got from PostcardMania customers.** Last Christmas, our company sent \$100 PostcardMania gift cards as part of a direct mail piece, and the phones immediately rang. This campaign turned out to be one of the most successful actions to date because of how it produced such an abundance of sales within such a short period of time.

PORTRAITS BY GLEUKIT



## Making Sustainability Stick

Green ways of doing business are good for our environment and for our bottom line, too.

**T**he fact that the Postal Service™ has a robust sustainability program may be one of our best-kept secrets.

Because it takes more than 36,000 retail outlets and processing centers and the country’s largest delivery fleet to deliver America’s mail, we have a substantial carbon footprint. So when you think about the Postal Service and the environment, it may not always be apparent that we have close ties.

But the Postal Service was part of the “green” movement before it even had a name. We’ve always been a leader in planet-friendly technologies like alternative-fuel delivery vehicles and solar panels to reduce facility energy use.

We first used an electric vehicle to deliver mail in 1899. Today, we have electric-powered delivery trucks in Manhattan and three-wheel electric vehicles dropping off letters and packages in California, Arizona and Florida. We also operate vehicles that use ethanol, CNG, liquid propane and bio-diesel. And we’re testing

hydrogen fuel-cell delivery vehicles that emit only water out of the tailpipe.

We recently built Manhattan’s largest green roof atop our Morgan processing facility there. It’s expected to last 50 years, twice as long as a traditional roof. Along with other energy-saving improvements, it has cut the facility’s utility bills by half the first year, saving more than \$1 million. In fact, nationwide we have reduced facility energy costs by lowering energy intensity 24 percent since 2003.

We’re also a big recycler. In 2010, the Postal Service recycled almost 220,000 tons of material. We encourage direct marketers to recycle also and to remind their customers to do so. Mail is a renewable resource, and in a green-conscious world, it makes sense to recycle — both as a cost savings and an environmental benefit.

Many marketers are already doing a good job showing customers their green side. We see marketers using cleaner mailing lists that limit duplication and waste, researching to effectively target customers, and using recycled materials, water-based inks and uncoated paper. And many

are printing on both sides of their pieces to save resources and reduce mailing costs.

The Postal Service offers marketers who use our shipping products another environmental selling point. All our boxes and envelopes, and now our stamps, are Cradle to Cradle™ certified. The materials are safe for human health and the environment, and can be safely composted or recycled. We are the only shipping company with that certification.

Bottom line: We see our sustainability efforts as economically beneficial — and the right thing to do. We are committed to making a positive impact on the environment. We have one of the nation’s largest workforces, and reach every city and town, so we have an obligation to embrace “green” ways of doing business. And we do.



**Sam Pulcrano** is vice president of Corporate Communications for the Postal Service.

LOUNGPARK, STONE+, GETTY IMAGES





- Dawson's project centers around a flat, 8.5-inch by 8.25-inch sleeve made of corrugated cardboard and housing a 45-rpm record.

- Recipients follow instructions on the sleeve to learn how to fold it into a makeshift phonograph. A needle is attached to the sleeve. Recipients spin the record with a pencil to hear the history of GGRP.



# Sounding Off

**Marketers for a popular recording studio perk up targets' ears with a makeshift phonograph.** By Bruce Britt

**G**oeff Dawson wants to talk on the record ... literally.

Last year, the associate creative director at Grey Vancouver, together with art director Andrew McKinley, produced a clever B-to-B direct mailer incorporating a 45-rpm record and an accompanying, assembly-required cardboard phonograph. Shipped to creative directors in Canada and the United States, the piece mushroomed into a hit with recipients before going on to take a prestigious Gold Lion award at Cannes.

Imagine a DM piece so imaginative, so engaging, so fashionably out there that people are phoning your client's company pleading for a copy. Not only did Dawson's device generate that kind of excitement, it did so on the cheap — total budget for the mailer was a relatively scrumpy \$5,000. In all, the cardboard phonograph shows that true creativity springs from great concepts, and not always great outlays of cash.

The piece, dubbed "A Town That Found Its Sound" and created for sound studio Griffiths, Gibson and Ramsay Productions (GGRP), not only underscores the importance of conceptualism and smart design, it also advances Dawson's theory that direct mail often works best when it possesses some kind of keepsake value. "You have to give people something that they have incredible difficulty throwing away," Dawson says. "I always try to approach direct mail with that mindset. It would feel like a sin to dump this (phonograph) into your trash bin."

Perceived value is just one advantage of an ambitious mailer like the cardboard phonograph. Dawson's

piece also improved awareness of the GGRP brand and increased the studio's cool quotient, earning mentions at more than 500 blogs, including the Wall Street Journal and Wired (Gizmodo hailed the phonograph as "pure genius"). Aside from capturing a Cannes Gold Lion award, Dawson's contraption took the gold at the Marketing awards and nabbed design honors at the One Show, among others. By almost every conceivable success metric, Dawson's cardboard phonograph is a smash hit.

The roots of the phonograph project extend back to 2009, when Grey Vancouver received a brief from GGRP outlining

the studio's marketing objectives. The former home of Little Mountain Sound Studios, the GGRP facilities once churned out breakthrough recordings. But by 2010, GGRP needed an image overhaul. "They're still very music-centric and have the chops, but they were seen as a little long in the tooth," Dawson says.

Dawson, McKinley, account director Genevieve Loudon and production director Dennis Isaacson hit on the idea of vinyl: "We really liked the narrative of how vinyl and GGRP are enjoying this resurrection," Dawson says. After eight months of research and development, the handmade mailers were shipped in personally addressed envelopes. "We got a 90-percent response rate," Dawson says. "Within days, everybody contacted GGRP saying that it was amazing ... as a DM piece, it worked perfectly."

GGRP pressed another 200 copies of the mailer for future potential clients. "Creative directors are calling GGRP asking for them," Dawson says. "So if an agency calls up and says they want one, GGRP says, 'Great, we'll bring it by and show you what we've been up to.'"

## THE ESSENTIALS

**Name of campaign:**

"The Town That Found Its Sound"

**Client:** Griffiths, Gibson and Ramsay Productions (GGRP)

**Agency:** Grey Vancouver

**Various media used:**

Direct mail, video, website

**Duration of campaign:**

February/March 2010

**Pieces shipped:** 100 cardboard phonograph mailers

**Cost of campaign:**

\$5,000 for GGRP phonograph

mailer, including concept development, production (including all hard costs) and distribution

**ROI or response rates:**

Grey Vancouver reports a 90-percent response rate. From March–May of 2010, GGRP generated 60 percent more leads than they did during all of 2009. Traffic to the redesigned GGRP site grew exponentially, moving from 50 visits per week to more than 70,000.



# THE MODEL CONSUMERS

by Chantal Todé  
photos by Derek Blagg

PROSPECTING IS  
MAKING A COMEBACK  
AS MARKETERS TURN  
TO NEW DATA TO FIND  
THE PERSON THAT'S  
HIDDEN BENEATH  
THE PERSONA.







A

fter recent years of diminished luster among some marketers, prospecting appears to be striking gold once more.

Buoyed by a host of new statistical models and other tools designed to facilitate the search for new customers, prospecting appears to be recapturing the value that it held for many CFOs before the economic downturn that began in 2007. The trend also suggests that direct marketers are once again gaining

a clearer understanding of contemporary consumer behavior, after years of being buffeted about by dramatic and often incomprehensible shifts.

Yes, there was the lure of digital initiatives, too, but for many marketers, the limited success of reaching new customers was frustrating. “During 2008 and the first half of 2009, companies really pulled back on prospecting, basically because consumers stopped responding,” says Brad Rukstales, president and founder of analytic consulting firm CAC Group.

Compounding this frustration, for some, has been the realization that consumers are morphing in ways that made the traditional criteria used for pinpointing new customers increasingly less effective. “Many marketing operations haven’t been able to react very quickly to the changing consumer,” explains Aaron Davis, vice president, analytics team at DataLab, which produces large-scale direct mail campaigns for enterprises.

But this is changing. Marketers are looking at customers in a new light, redefining them according to new

criteria, new data. And they are fashioning new prospecting tools and revamping older ones to help them figure out what’s happening — and predict what will happen.

Chief among these tools: statistical prospect modeling.

Unlike customer marketing, where companies often have several years’ worth of data about customer interactions with them, prospecting is limited by the type and amount of data accessible to companies. Consequently, predictive model building is “all about narrowing down from a general market prospect pool of millions to the select few that are going to be good customers for a given product or company,” says Davis.

#### ROCK STAR



**Demographics:**

Black male, 43; vice president of finance; household income: \$130,000; lives in suburbs; owns home.

**Interests:** Golf, travel, reading, video games.

**Last Purchase:**

Headset for online gaming.

**Social Media**

**Activity:** Reads blogs about gaming, visits forums weekly.

#### [ WEALTH OF NEW INFORMATION ]

In the past, efforts like this were restricted by the limited amount of data available on consumers. But now, armed with new, more robust consumer information, companies can fine-tune their prospecting efforts by building more targeted and more predictive models that also include relevant messaging. At the same time, many can lower the costs of their prospecting strategy because these more targeted mailings are smaller.

The two most popular models, the lookalike model and the response model, have both been boosted by the infusion of more precise data. The lookalike model, which identifies prospects who most resemble a company’s best customers, was once limited to basic demographic information. But the deepening data pool available to marketers means this tool can now be shaped to ID targets according to factors such as recent purchase history. Likewise, the response model — used to identify those most likely to respond to a campaign — has also

## The End of the “Average American”

With significant demographic changes on the horizon for the U.S., demographic analyst Peter Francese discusses what marketers should consider when crafting messages for a rapidly diversifying nation. **INTERVIEW BY PAULA ANDRUSS**

*When the U.S. Census Bureau releases the results of its 2010 census this summer, marketers of both small and large businesses should be prepared to take note of some major demographic shifts, says demographic trends analyst Peter Francese. Francese, who consults for New York-based advertising agency*

*Ogilvy & Mather, recently authored 2010 America, a report commissioned by Advertising Age that highlights some of the significant population changes the census will reveal. Deliver® chatted with Francese recently about what direct marketers need to know about today’s consumer.*

**DELIVER:** What did your census research reveal about the average American today?

**PETER FRANCSE:** My research found that there is no longer an average American. When I was a child, people used to talk about John Doe; he was the average American in a relatively even society where vast numbers of people had the →



benefitted, as marketers gain a keener understanding of the factors that influence these responses, factors such as influencer opinion gleaned through social networking.

Social media is credited with improving the data needed to make both these models more effective. “Knowing that someone has so many friends on a certain social networking platform can be a very predictive variable in predictive modeling,” says Rukstales. He adds that a brand’s newfound ability to pursue a customer active in social networking sites allows marketers to tailor the communications so that it makes sense for the recipient, such as with a pass-along offer.

Of course, even tailored communications are harder pressed to cut through the clutter these days, say experts. “With the occurrence of e-mail, smartphones and social media, you have this almost exponential growth in mechanisms by which consumers are bombarded by messaging and consume messaging,” says David Danziger, director of data and targeting products at data firm Acxiom Corp. As a result, consumers are better at tuning out messages than in years past.

Consequently, continued media saturation means the most successful companies will be those “that can clearly identify their target audience and have an idea of the offers and creative that will resonate with them,” says Rukstales. Having the right prospecting model “is critical” to this process, he continues.

[ DISCOVERING NEW MODELS ]

Companies are looking for prospecting models that will help them reach more well-defined groups of consumers, but also support their efforts in other ways, such as by

TOP CHEF



**Demographics:** White female, 31; senior programmer; household income: \$80,000; rents an apartment.  
**Interests:** Gadgets, music, cooking.  
**Last Purchase:** Top-of-the-line cookware set.  
**Social Media Activity:** Has own recipe blog; regular contributor to other food sites.

assisting in tailoring the messaging. Such strategies are becoming especially important as companies have begun to step up their prospecting efforts, a trend that is expected to continue as the economy improves.

Gone are the days of untargeted, spray-and-pray mailings, when companies would send out millions of pieces of mail to general market mailing lists and hope for good results. “Marketers are trying to be more targeted in their prospecting and are looking for improved ways to drive successful campaigns and find profitable customers,” says Felicia Peng, director of prospecting and acquisitions at credit reporting agency Experian. “Our clients are hungry for alternative data sources and pre-

dictive analytics that can help them understand the consumer better,” she continues, adding that this is increasingly driving innovations in prospecting.

Consider, for instance, how CAC Group and a retailer are currently testing to improve results by supplementing an existing prospecting strategy with information about consumers’ social media usage. Using a social influencers score, CAC Group is able to identify look-alike prospects most likely to be highly social online. The retailer sends these prospects a direct mailer encouraging them to visit a website where they can click to join the retailer’s social networking group.

“Engaging prospects where they are socially active will far outstrip previous efforts, which were based on basic demographics and lifestyle scores,” says Ray Kingman, CEO of audience targeting firm Semcasting. “The expectation is that this type of targeting will increase over time, and response rates and customer acquisition programs will improve.”

A social influencers score is just one of several new prospecting strategies that are proving to be more flexible

same sort of needs for consumer products and services. There was a significant uniformity of society that has really never been matched. But I can predict with a high degree of certainty that the 2010 census will essentially put the last nail in the coffin of the average American, because he or she no longer exists.

**DELIVER:** Who’s replacing the “average American?”

**FRANCESE:** Today, we are not just a multicultural nation, but also a multisegmented nation and a

multigenerational society. In our two largest states, California and Texas, no race or ethnicity is a majority of the population anymore. In fact, in our 10 largest cities and in two other states (New Mexico and Hawaii), no segment is the majority. The 2010 census form instructions, for example, were available in 65 languages. That gives you an idea of just how pervasive this concept is.

And it’s not just ethnic segments that are changing. Twenty-five years ago, two-thirds of all households were married couples. The 2010 census will show that for the first time in American

history, married couples will be a minority of U.S. households. It’s a stunning difference from the 1950s and ’60s when virtually all marketing was focused on married couples, particularly married couples with children. Now, married couples with children make up fewer than 21 percent of all households — or roughly one out of every five.

Also, the number of people who live alone is growing very rapidly; they’re now over 27 percent of households.

The third dimension of complexity is that we are becoming a multigenerational society. The →





SEGMENT YOUR LIST  
TO GET MORE

BY CHANTAL TODÉ

Segmenting customers into different groups based on certain characteristics has long been a popular strategy for many companies. When it comes to prospecting, however, many campaigns still send the same offer to all recipients.

Segmentation can be as simple as separating out Hispanic names from a prospecting list and sending these recipients a personalized message. Mailing lists can also be grouped along geographic, income and other factors. The result is more relevant communications that are more likely to be noticed and generate a response.

Brad Rukstales, president and founder of modeling firm CAC Group, notes that building prospect segments is different from building customer segments since companies don't know as much about prospects. Therefore, "It takes some professional expertise to build prospect segments that most companies don't have internally," Rukstales notes.

The benefits, however, can be great, with companies seeing a 50-percent to 100-percent increase in ROI when going from one prospecting offer to two versioned communications, says Rukstales.

There are signs that segmentation in prospecting is starting "to become more prevalent," reports David White, senior research analyst at Aberdeen Group. As data mining becomes more sophisticated, companies are learning to divide prospects into one-time purchasers and those likely to have a high lifetime value.



than older prospecting models, giving marketers a way to better target their efforts and craft more relevant communications.

Franklin Mint Federal Credit Union (FMFCU), for instance, was able to target and align an offer to the right consumers using a "propensity to open" model from Experian. This model predicts the likelihood that someone will be in the market for a specific type of loan over the next 30 to 120 days. Meanwhile, Experian also offers "in-the-market" models in seven categories: auto loans and leases, bank cards, mortgages, home equity, personal finance, retail and student lending. This model relies on a bevy of data to gauge the seriousness of a consumer's intent to buy.

Initially, FMFCU sent a direct mail piece to 17,000 members with the goal of cross-selling them an auto loan. The company checked to see how the list of names of those who responded to the mailer ranked on Experian's Auto In the Market Model. "The company saw that the highest Auto In the Market scorers were those who responded and opened a loan," reports Peng. For its second mail drop, the credit union applied the Auto In the Market score against its mailing list, rank-sorted the results and mailed to the 15,600 names predicted most likely to open a loan by the model. This second mailing drove a 10 percent lift in the conversion rate as well as cost savings, with a mailing list that was smaller than the first drop.

Not only was FMFCU able to use the propensity to open model to improve the campaign results, but it was able to save on postage and paper costs as well, reports Peng.

[ BEYOND THE BASICS ]

Further innovating prospecting is the growing availability of transactional data, which can be followed over a period of time to determine trends in behavior, such as how much someone has spent in a certain product category, explains Davis.

From a modeling perspective, category purchasing

data "is extremely predictive — far more predictive than knowing someone's age and income," says Rukstales.

"When we have this information about how much households spend in a certain category, our ability to define the consumer improves," says Rukstales. This enables companies to better predict who will be a good prospect and craft more meaningful messaging, he continues. The result is often "a significant increase in response rates," he adds.

An auto loan application, for example, could trigger direct mail from an insurance company trying to sell auto insurance to the loan applicant. DataLab receives daily feeds from various sources for this type of data and creates prospecting files to go to a mail shop the next day. While bigger companies have been engaged in this type of trigger marketing for a while, Davis says he expects it to become more prevalent in 2011 as transactional data becomes more widely available. Some of this newer data

TRAIL BOSS



**Demographics:** White female, 67; retired; married; household income: \$75,000; owns modest home in city.  
**Interests:** Travel, reading, community service, trail biking.  
**Last Purchase:** New 25mm wheelset for her bike.  
**Social Media Activity:** Follows pro cyclists online.

"is not only more predictive of who will be a good prospect, but it enables companies to deliver their message in a more timely fashion and in a way that correlates with a behavioral change or a trigger," says Davis.

Semcasting is using an automated platform to generate models for each individual location of businesses that have multiple locations across a region or the country.

"One-size-fits-all regression models will tend to average the results between local markets and dilute the value of the targeting model," says Ray Kingman. "If you can generate a model for every location or situation on demand and have results in an hour rather than a month, the precision of local targeting improves overall and campaign planning can be more effectively optimized."

And, because software solutions can propagate models more efficiently than hand-built models, they make statistical prospect modeling practical to mid-size companies with smaller budgets. Semcasting's clients, for example, are equally split between mid-size and large firms — many of which are franchises, distributed sales organizations, political campaigns and nonprofit organizations.

2010 Census will probably find somewhere in the vicinity of 10 million multigenerational households, in which there's at least one grandparent living with his or her adult children and those adult children's children. Multigenerational households and multigenerational America means that older people, people in their late 50s, 60s and 70s, have a bigger impact on what their children and grandchildren are doing and buying.

**DELIVER:** What is causing these profound demographic shifts?

**FRANCESE:** The multicultural shift is driven by immigration, but it's also driven by the fact that the non-minority part of the population — white non-Hispanics — is aging very rapidly. Of all births in the United States in past decades, well over two-thirds were white non-Hispanics, since they were the vast majority of the population back then.

But today, only about half of the more than 4 million births nationwide are white non-Hispanics, so a higher proportion of the younger population, the children and young adults, are either African-American, Hispanic, Asian or

multiracial. So, as the older population ages and more of them pass on, the younger generation that's being born today and has been born over the last ten years becomes a greater share of the total population. Young people and young adults and children are quite diverse, whereas older people are not. Eighty percent of Americans over the age of 65 are white non-Hispanic, but that's true of less than 60 percent of children.

**DELIVER:** With so much variation emerging, how should direct marketers approach

segmentation and best identify whom to target with their messages?

**FRANCESE:** It's important to not treat each generation or each age segment as independent entities, because they are probably not. I think it's essential to address the multidimensional nature of our society today, and more important than ever to know more precisely who your customers are. In-depth interviews and surveys are vital tools for more effective direct marketing. We can't assume that just because somebody is 60 or 70 years old that all they're going to want is a hearing aid or health

insurance, so there's no point in marketing to him for anything else. That's a huge mistake.

Then, just like with any other direct marketing program, the key to success is testing, testing and testing some more.

**DELIVER:** What is the role of mail in all this?

**FRANCESE:** When you mail, you mail to a household, which is by definition an occupied address. Mail reaches people in their home and it can offer something in writing, in their own language, that is of specific interest. Direct mail is the ideal way

to really target a specific part of a population that has a need that is unique for that group; it may not be a need at all for 90 percent of consumers, but you don't care as long as you know how to reach that other 10 percent with mail.

**DELIVER:** What makes mail a good vehicle to reach those segments?

**FRANCESE:** If you send a catalog of toys where some of the descriptions of the toys are in Spanish, and you know that you're mailing to Hispanic households that have more children than ➔





## AUTO PRO



### Demographics:

Asian-American female, 35; office manager; married; mother of two boys.

**Interests:** Family, cooking, auto repair.

### Last Purchase:

Calipers and a new torque wrench.

### Social Media

**Activity:** Submits vehicle pictures to enthusiast blogs; follows several race drivers online.

While in the short term many companies remain focused on lower-cost digital activities, we could be headed toward a golden era for prospecting as predictive modeling grows more sophisticated through new data and techniques. “Every company wants to be more effective in how they are reaching consumers and in the message they are delivering,” says Danziger. So, any information they can use to refine their efforts, they will use. “The implication is that customers and prospects over time will see more refined and targeted messaging.” <sup>d</sup>

WANT HELP IMPROVING YOUR METHODS FOR TARGETING PROSPECTS? DOWNLOAD OUR FREE WHITE PAPER OF IDEAS AT [DELIVERMAGAZINE.COM/STRATEGY/](http://DELIVERMAGAZINE.COM/STRATEGY/).

non-Hispanic households, you’re going to get a greater response and you’re going to be more successful than if you try to advertise on cable television. You really have no idea what cable channel they’re watching, so the cost per sale is much lower when you can reach these specific households with a targeted, written message.

Similarly, when you’re trying to reach a small market segment like married couples with kids, broadcast media is pretty inefficient because married couples with kids can be different ages. Some are in their twenties; some are in their

thirties; some are in their 40s. That makes it difficult to reach all of them, but with direct mail you target them at home.

If you have a product or service that you think would be valuable to single people, I can’t think of a better way to reach them than through the mail. If they live alone there’s obviously nobody else who’s going to open the mail except for them, so you reach them directly.

Twenty years ago, most direct mail marketers said they only wanted the 18–49 demographic, which was considered the young households

with money to spend. That concept no longer holds. Older Americans, many of whom now are grandparents, are spending some serious money on their grandchildren. This group is more stable; they stay at the same address for longer periods of time than young people do, and they open their mail. They might surf the web and e-mail their grandchildren, but they’re still print-oriented.

In all of these groups, thinking of direct mail as a primary means of communication within your specific and detailed set of customers, and giving it the priority it deserves, can be very successful.



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# marketing the Navajo

HOW BUSINESSES WITHIN THE NAVAJO NATION THRIVE DESPITE SMALL MARKETING BUDGETS.

Each day when Kathie Curley goes to work, she revels in the natural diversity that surrounds her. “Mountains, desert, alpine forests, lakes, rocks, streams, high altitude, low altitude — I’ve never seen such beauty in such a small area,” gushes Curley, the public information officer and marketing coordinator for Navajo Nation Tourism. “And to be in such a different culture, in the middle of America ...”

For the past 12 years, it’s been her job to transmit the same enthusiasm to domestic and international travelers, enticing them to visit and experience Navajo culture, history, business, destinations and hospitality. But she and other Navajo marketers have had to do so without some of the advantages that major brands enjoy, such as large databases, big budgets, worldwide marketing agencies and ongoing customer research. “We are like

babes in the woods when it comes to marketing,” says Curley, who is part Anglo, part Choctaw, and lives in the Navajo Nation with her husband. In fact, for 2010, Curley’s entire marketing budget was less than \$35,000.

Despite these obvious obstacles, though, Navajo marketers succeed. They follow basic marketing tenets and leverage their own ingenuity, willpower and longstanding relationships. They rely more on creativity than cash to meet their objectives. And to them, failure is not an option, as an entire nation — not merely a company — is counting on Curley and other marketers who promote the Navajo Nation to the world.

Of the 300,000 people who are enrolled tribal members, more than 200,000 live within the Nation’s 27,000 square miles of land in New Mexico, Utah and northeast Arizona.

“Navajoland” is home to many world-renowned scenic wonders of the Southwest, including Canyon de Chelly, Shiprock Pinnacle, the Chuska Mountains and Monument Valley. The median age of those living on the Navajo Nation is 24. Nearly 50 percent of residents are unemployed. Economically, most live below the poverty line. Many do not have telephone service. Some live without electricity or indoor plumbing.

## BUILDING BUSINESSES

Launching a business within the Navajo Nation can sometimes be tough, as there are restrictions in place designed to prevent widespread commercialism and preserve the integrity of the Navajo Nation and its culture. There are business site leases, business licenses and financing hurdles to overcome. “If you

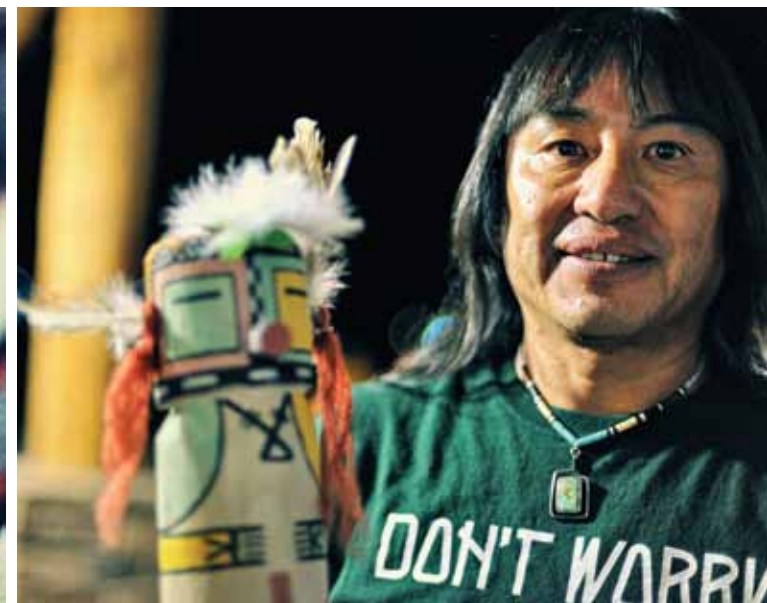
don’t own your land, it’s hard to get a loan,” says Curley. “It can sometimes take five to 10 years to get a business going here.”

Most of the Nation’s largest ventures operate and are marketed under the auspices of tribal government, including the Navajo Nation Gaming Enterprise (NNGE). The first Navajo casino, Fire Rock, opened in November 2008 and was so successful that the Nation’s Council authorized the development of four more casinos, all of which are scheduled to be operating by 2012.

Individuals and families sustain a cottage industry that contributes millions of dollars to the Navajo economy. These entrepreneurs create handmade items and sell what they make — from breakfast burritos and stringing beads to high-end arts and crafts.

Visitors see evidence of the cottage industry everywhere. “They sell wherever they can — at flea markets, out of the trunks





of cars, on top of a folding table, under a tarp, off the side of the road, in government buildings, at scenic and historic sites, walking from table to table at restaurants,” Curley explains. “Unfortunately so many leave and move elsewhere after they make it big. Galleries should be on the Nation — and it’s our hope to keep the artists here.”

### MAKING MARKETING WORK

Because most small ventures on the Navajo Nation don’t have a lot of money for marketing and advertising, the exposure from tourism often gives them a leg up, according to Curley.

As a result, Curley targets places that generate many of the tourists to the Navajo Nation. Curley’s primary domestic marketing targets are in Arizona, Southern California, the Midwest and Northeast. Internationally, she focuses heavily on Great Britain, Germany and China. Channels include the web and social media, as well as travel magazine advertising, and brochures and travel guides distributed via direct mail by tourism bureaus.

“We’re in the process of creating a new Discover Navajo Visitor Guide,” explains Curley. “A large percentage will go directly to visitor centers, but many will be shipped in boxes through the mail. We’ll be sending thousands to individuals who request them. We also have a brochure in the planning stages that we’ll be able to offer potential visitors and tour operators.”

Curley says that, despite the Nation’s presence online, she knows her marketing targets enjoy handling the mail pieces. “The Internet provides wonderful information instantly at your fingertips; however, visitors still want to have that tangible visitor guide and brochure in their hands, especially when they’re traveling through the area,” says Curley, who also helps the Nation host media tours twice a year. “The best way to get this to them is through the United States Postal Service.”

Through these multiple channels, Curley showcases Navajo businesses, events, travel destinations, crafts, and artists both famous and emerging. She also works with tour operators Navajo Nation

Hospitality Enterprise, as well as private hotel operators and restaurant owners, to include them in her programs. She stretches her tiny budget by doing most of the tactical work herself and leveraging relationships with others. Large mailings, for instance, are conducted through cooperative arrangements with other groups and organizations. Tens of thousands of her office’s visitor guides are mailed out through her regional affiliation with a group from the New Mexico Office of Tourism and other organizations.

The Nation’s marketing collateral and visitors guide aren’t the products of high-powered marketing firms. When she needed a great photo for a new poster, Curley held a contest — and made the most of it. The contest increased web traffic and awareness of the Navajo Nation, and entries expanded her stock photo file. Meanwhile, the winning photo was featured on the poster, which was distributed via mail, the Internet and events. The photo was also showcased on the cover of a promotional calendar, which was distributed by mail and at tourism events. “I designed the calendar to cover two years, to make it last longer,” adds Curley.

Results of Curley’s work are measured by hotel occupancy taxes, basic web analytics, park visitor fees, tourism surveys and economic studies. A year-long study that was set to begin last December will gauge those results in more detail.

“The last study was done in 2002, so it will be interesting to see comparison figures,” she says. According to Curley, the economic impact of visitor spending on the Navajo Nation in 2002 — direct, indirect and induced — totaled more than \$100 million. Tourist expenditures supported the direct employment of 2,540 full-time workers, and produced an additional 967 indirect and induced jobs as tourist dollars worked their way through the local economy. A total of 3,507 jobs were supported by tourism.

“When people come here, they might think there is no business on the Navajo Nation. They see few office buildings and little industry,” Curley says. “But Navajos are very industrious. There is an underground industry that thrives here.”

And so do its marketing campaigns. [d](#)

### A SAFE BET // The first-ever Navajo casinos enjoy success thanks to a multi-tiered marketing strategy.

Although commonplace in many other tribes, the gaming industry is fairly new to the Navajo Nation, largely because casinos were controversial among its members. But the success of other tribal gaming ventures encouraged the Navajo Nation Council to authorize the Navajo Nation Gaming Enterprise (NNGE) and open the first Navajo gaming center, Fire Rock Casino, in 2008. Fire Rock was an instant hit. “We increased our profits 10 percent of last year [2009],” says NNGE CEO Bob Winter.

Located in Church Rock, N.M., the casino offers 650 slot machines, a 250-seat bingo hall, 13 table games, a full service restaurant and two fast food outlets. Planned expansions include a hotel. NNGE marketers use a combination of tactics that include web promotion, print advertising, tourism partnerships and direct mail. Loyalty initiatives include a multi-tiered players club that earns points to be redeemed for goods and services like leather jackets and watches. Other patrons are wooed through a series of postcards.

Spurred by Fire Rock’s success, the Navajo Nation opened an Arizona facility, Flowing Water Casino, in October. By 2012, three more are to be opened. Meanwhile, NNGE profits go to debt repayment, reinvestment and scholarships and services for the Navajo. The NNGE expects its projects will bring millions to regional economies, 4,000 to 5,000 new jobs to the Navajo Nation and an infusion of \$250 million to the Navajo gaming industry. Says Winter: “We have exceeded Fire Rock projections by 100 percent!”







# FOR CRYING OUT LOUD

HOW A MADCAP MARKETING STRATEGY THAT INCLUDES CRYING TOMATOES ALLOWS APPAREL COMPANY MOOSEJAW TO MARKET TO – AND THROUGH – ITS CUSTOMERS.

**By Bruce Britt**

**Illustrations by *Deliver* favorites**

If the saying holds true that the shortest distance between two people is laughter, then it's likely that the marketer who fearlessly goes for the jocular stands a better chance of disarming today's increasingly knowledgeable and sophisticated consumers.

Case in point: outdoor apparel company New Moosejaw LLC (dba Moosejaw). Since its 1992 inception, Michigan-based Moosejaw has built a loyal following by folding its customers into its outrageous marketing efforts, leveraging the company's mail order catalog, website and branded blog — all in the name of advancing a cockeyed marketing vision executives call "The Madness."

Warped and insistently nonsensical, The Madness is niche gone wild, a sort of grand inside joke between the Moosejaw staff and its customers (one is tempted to say "accomplices").

*Editor's Note: Following Moosejaw's example, we asked some of our favorite illustrators to send us their version of a crying tomato. Here's what we got.*



Under the guidance of marketing SVP Eoin Comerford, CEO Harvey S. Kanter, founder Robert Wolfe and creative director Gary Wohlfeill, Moosejaw routinely dreams up promotional stunts that sound less like marketing ploys than counter-intelligence missions (“Robot Dog,” “Naked Jet”).

In recent years the company has poised itself as a romantic intermediary, using its blog to introduce initiatives like “Dating Girl” (customers e-mailed in for dating advice), and “The Moosejaw Break-Up Service” (where Moosejaw customer service reps break the news on behalf of disenchanted lovers). Last November the Moosejaw website featured a play about the company’s free two-day shipping offer (“We open on the Moosejaw Marketing Gang discussing how to best execute another promotion that no one will understand ...”). Veritably soaking in silliness, The Madness permeates nearly every facet of Moosejaw’s marketing, with often-hilarious results.

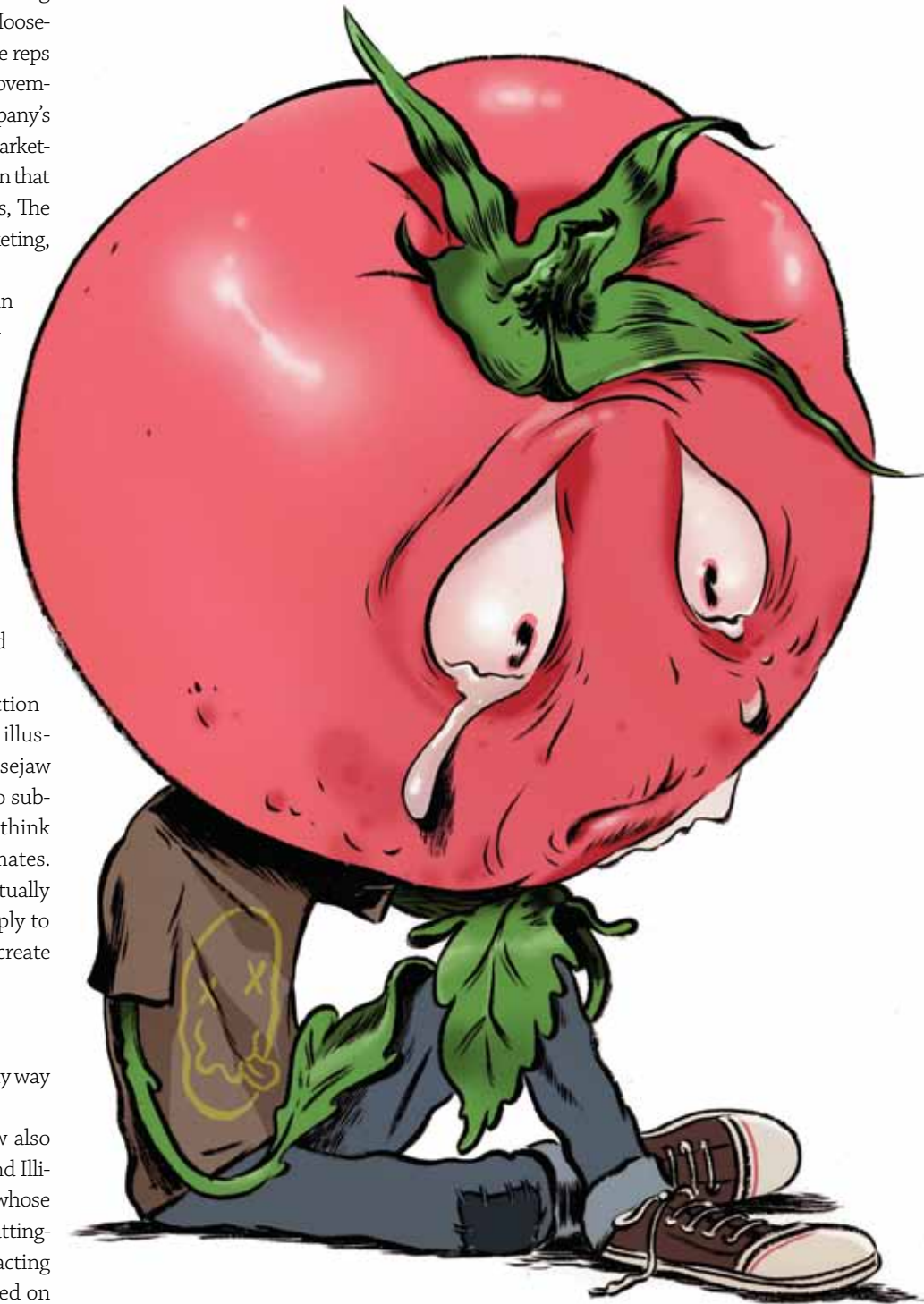
But in 2010, Moosejaw surprised even itself when an idea offhandedly tossed out at a marketing klatch mushroomed into a customer phenomenon. Last February when Moosejaw customers received the company’s Spring Break 2010 catalog, they discovered a peculiar request at the bottom of page 16: “E-mail a rendering of a crying tomato.” Weeks later, the company upped the ante in its summer catalog, “The Best Places to Do It in Detroit,” telling readers “we’re trying to get 10,352 crying tomatoes, so please e-mail your crying tomato pics.” For their trouble, customers would receive 100 Moosejaw Rewards points redeemable for gear and apparel. “Which equates to about \$1,” says Comerford.

Within weeks, Moosejaw’s head-scratching call to action had resulted in dozens of impressionistic customer illustrations. The response was so encouraging that Moosejaw decided to feature some of their favorite crying tomato submissions in an e-mail blast to 300,000 customers. “I think we had over 300 total submissions,” Comerford estimates. “That might not sound like a lot, but people had to actually do something. It’s one thing to get someone just to reply to an e-mail, but when they have to actually go away and create something, it’s a different story.”

### A formula for fun

Crying tomatoes. Dating services. Robot dogs. Is this any way to run a business? Apparently, yes.

Though it is primarily an online retailer, Moosejaw also boasts seven brick-and-mortar locations in Michigan and Illinois. The company is a dynamic, privately run enterprise whose combination of private-label gear, name-brand apparel, cutting-edge marketing and chummy customer service is attracting increasing media attention. Moosejaw has been featured on



3

JUDE BUFFUM featured in: March 2009 ‘What’s in the Customer’s Mailstream?’



several national morning news shows and in some major publications. Its site earned a Best of the Web award from Forbes magazine, was named a Top 50 retailer by Bizrate and was cited as a Top 500 Retailer by Internet Retailer.

At first glance, there doesn’t seem to be any method to Moosejaw’s “madness,” but a closer inspection reveals that the company’s marketing strategy is bone-simple — create funny, soft-sell initiatives that appeal to plain, old-fashioned human vanity. Moosejaw doesn’t just market to the customers. It markets the customers themselves. And while many of the company’s stunts have nothing to do with sales or outdoor gear, they do have plenty to do with cultivating feel-good vibes that often translate into customer loyalty.

“In a competitive environment, you need a differentiator,” Comerford says. “Some people have set their differentiation to be customer service, where others center their authenticity around being the technical experts. Our differentiation is this engagement in the madness and the fun.”

Comerford says many customers have come to eagerly expect off-the-wall messaging: “They enjoy that they get a package from us with a note inside that says ‘sealed with a kiss’ that’s written by the person who packed it. It’s that unexpected fun part that is going to create that level of engagement, so the next time they go looking for a climbing harness or a winter jacket, they’ll think of us.”

### Campaign to cry for

Though Moosejaw’s run-amok marketing style may seem novel to the business world, it’s really a contemporary take on a time-honored American fantasy. Like the fast-living

rockers of the 1970s, the financial mavericks of the ’80s and the online pioneers of the ’90s, Moosejaw gives the impression that it’s making serious bank by pushing the limits. That’s an appealing message for just about anyone — but especially for Moosejaw’s 20- to 40-year-old core demographic. “Our mantra is that we want to be the most fun outdoor retailer on the planet,” Comerford explains. “By being fun ourselves, we create that level of engagement, that madness you get from climbing up a cliff face — only you get that in an online/retail environment.”

Moosejaw leverages that heady sense of fun in its digest-sized quarterly catalog, which measures 6 by 9 inches and ranges from 24 to 52 pages. (Moosejaw’s winter catalog, by contrast, measures 8 by 10 ½ inches and runs up to 80 pages). Considering Moosejaw’s penchant for marketing hijinks, it was no surprise last February when, in a 30,000-copy run of its Spring Break 2010 catalog, Moosejaw asked readers to send their best illustrations of crying tomatoes. “We typically get a certain response to these, but we started to get hundreds of pictures from this one sentence written in 8-point font in our catalog,” Comerford says. “They were cracking us up. We could see that some people were just so creative and put in so much time.”

Recognizing a marketing opportunity when it saw one, Moosejaw promoted the Crying Tomatoes theme across all of its branded marketing channels, including the company’s summer catalog and blog. To help promote their new branded T-shirts, Moosejaw sent an e-mail blast to its 300,000 opt-in customers. “Submit a pic of a crying tomato and we’ll post it in our dentist’s waiting room, or wherever its appropriate,” the

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ZOHAR LAZAR featured in: July 2010 ‘Making the Most of a Relationship’

4 OLAF SIGFRED featured in: December 2007 cover





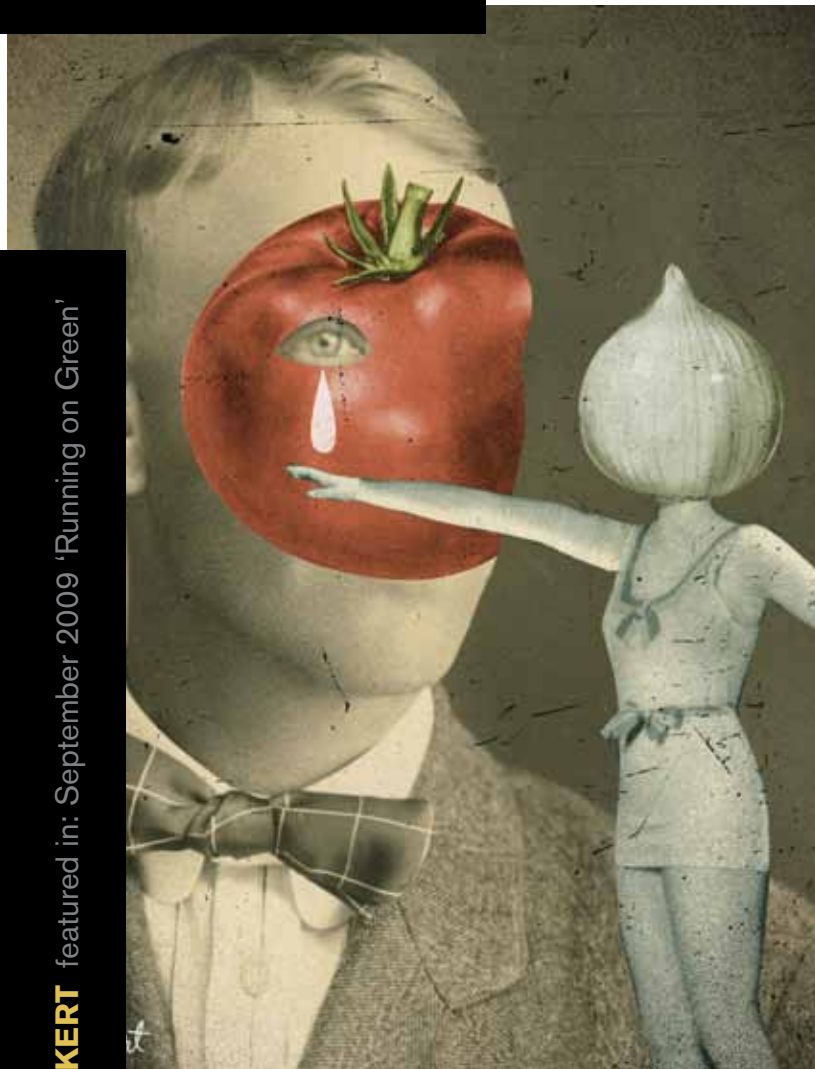
e-mail said in typically mystifying Moosejaw fashion. Mention of the initiative was also made to Moosejaw's 28,000 Facebook followers.

"If you look at our catalogs, Moosejaw uses the tagline 'Loving the Madness,'" Comerford points out. "We try to make sure that on every page there is some degree of madness, something that's notable or engaging that will make the customer want to flip the pages and read. Sometimes it will be sayings, or just silly observations on life, the products, or what have you. Other times like this, it will be asking the customer to engage."

Moosejaw's own research shows that stunts like Crying Tomatoes have resulted in customer loyalty and boosted revenue. According to a recent study conducted by the company, 40 percent of Moosejaw customers who consider themselves to be "highly engaged" have placed at least four orders with the company.

Though the Moosejaw creative crew dreamed up the Crying Tomatoes idea on the fly, the ploy illustrates the potential rewards of acting on spontaneous ideas. "I wish I could tell you that it was this ingenious campaign we expected to do great with, but I can't," Comerford says. "We learned that if you come up with something that tweaks people's interest and is not self-serving, people will respond and engage with you. If you try too hard and do something more self-serving, you're probably going to miss the mark."

To underscore his point, Comerford relates the story of when Moosejaw asked customers to design a logo for a branded tee. "There was an incentive of the winner actually making the tee," Comerford recalls. "But we got far less response to that than we did to Crying Tomatoes. It's that self-serving thing versus 'send us a picture of a crying tomato.'"




### Keeping it real

As the Crying Tomatoes catalog/e-mail initiative suggests, some of the strongest integrated marketing opportunities can spring from counterintuitive ideas. Moosejaw gets around the cynicism of many modern consumers by forming friendly, interactive bonds. "A hard-sell approach can get you short-term gains," Comerford says. "But long term, if you're trying to differentiate based on the offer or the price, it's just a race to the bottom."

He says Moosejaw wants to have fun and, more important, wants its customers to have fun right alongside the company. "That should be in our voice and in everything that we do," Comerford says. "By being fun ourselves, we create that level of engagement, that experience and that madness you get from climbing up a cliff face — but you get that in an online and retail environment."

Yet for all the company's renegade spirit, perhaps the biggest lesson marketers can take away from Moosejaw is rather traditional and simple — be true to your brand.

"There are people over the years who have tried to emulate or do something similar to our voice," Comerford says. "If it's not real, people will know." 

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## LAST WORD

SERIOUS FUN | ILLUSTRATION BY PIXEL PUSHERS

Direct marketing can be a tough game to play, let alone win. From the whims of consumers to the health of the economy, any combination of factors can alter the course of a campaign. Rarely is the path free of challenges or setbacks.

Of course, when you do land on those successful marketing programs, the payoff — increased revenues, more customers, reliable leads — can give your company

a decided advantage over competitors. And relevant, customizable channels like direct mail can help ensure that your success amounts to more than just a random roll of the dice.

As always, we here at *Deliver*® encourage you to play, play well and play to win.

